

# Speech: NDA Stakeholder Summit 2018

I am delighted to be here to help introduce what I am sure will be a great forum for discussion and debate over the next 2 days.

It is a particular pleasure to be at the South Gloucestershire College. This building was home to the Berkeley Laboratories and adjoining is the Berkeley Power Station, the first commercial nuclear power station in the UK to be decommissioned and one of the Nuclear Decommissioning Authority's (NDA) 17 sites. It is inspiring to see an example of the NDA accomplishing its mission and seeing the reclaimed land now being used for the benefit of the local community. Providing technical education that will support the government's [Industrial Strategy](#) in equipping young people with the skills they need to do the higher-paid, higher-skilled jobs of the future.

## **Mission**

The clean-up of sites such as this highlights the nationally important mission of the NDA. The nuclear sites we are dealing with go back to the 1940s; the reactor here at Berkeley was switched on a little later in 1962. Generations of people have applied themselves to this sector in the way that the 16,000 strong workforce across the NDA estate is doing so today. We are also ever conscious that this is a hazardous environment and I have the utmost respect and admiration for those who have devoted their working lives to keeping us safe.

Within my first 6 weeks as Permanent Secretary for BEIS I made a visit to Sellafield. I was struck by the sheer scale of the challenge, and to a layman the range of unimaginably complex activity on the site. I also got a strong sense of the passion as well as the skill that staff on site at Sellafield bring to their daily work. Safety and security were vital in each and every activity, and every member of the workforce had a clear responsibility for this. As a country we should all be very proud and grateful for what is being done across all the NDA sites.

## **Leadership**

Leading an organisation as important as the NDA is never easy, but leadership is particularly difficult when the outside world is scrutinising every move. When in 2016 we were recruiting the new Chair and CEO of the NDA, in my view the most important question posed to candidates was, "How resilient are you?" I expect Tom (Smith, Chair) and David (Peattie, Chief Executive) will now fully understand why.

Within a month of their respective appointments, they were faced with critical decisions on the Magnox contract in March 2017. Over the past year, the NAO has published 2 reports on the NDA and David has had the pleasure of giving evidence to the Public Accounts Committee (PAC), with another due next week. There has also been significant media scrutiny – an unavoidable part of

such critical work – and at the same time the leadership of the NDA has kept people motivated and kept the organisation moving forward. Tom and David have done an impressive job during a fantastically challenging first 16 months.

However, it is not just Tom and David who have shown effective leadership through challenging times. As Site Licence Holder for the Sellafield site, Paul Foster has responsibility for the most hazardous site in the country, and he and his executive team have done an excellent job of leading Sellafield through some significant milestones.

## **Progress**

While the past year has presented a range of challenges and change, it is important to maintain focus on our ever-vital mission. To keep that focus we must consider – what is the most important public good from our work? Both government and the general public want the sites to be cleaned up and made safe, and that is what is happening on the ground.

At Sellafield, there has been significant progress over recent years with programmes to reduce risk and hazard in legacy ponds and silos, including work to empty the pile fuel storage pond – which has had its radioactive content reduced by 70% thanks to completion of retrievals in 2016. A definitive step was taken with the first cut into the Pile Fuel Cladding Silo. 6 steel doors have now been installed, laying the ground for the start of waste retrievals next year. This is ahead of schedule and at a reduced lifetime cost of £250 million. These major successes at Sellafield have been years in the making. It follows on from a significant amount of work to develop an understanding of the scale and nature of the risks and to devise innovative solutions.

These achievements were recognised in the recent National Audit Office report and as Principal Accounting Officer, I am really pleased to see the NAO reporting that work to reduce risk and hazard at Sellafield has taken a real turn for the better, and I hope this will be recognised in the forthcoming PAC session.

In recent years, Sellafield Limited has met significant milestones in retrieving hazardous waste from its legacy ponds and silos. Both the NDA and Sellafield Limited have made real progress with reducing delays and cost overruns. It demonstrates the hard work of the management teams and workforces to drive improvements and I have no doubt that this trend will continue.

Major progress is also being made elsewhere on the NDA estate. At Bradwell, progress to remove 200 tonnes of metallic radioactive debris will make it the first commercial site to enter Care and Maintenance at the end of the year.

At Dounreay, following an exhaustive process to design and test remotely operated equipment, work has begun to remove breeder elements that have been jammed for over 35 years.

At Chapelcross, completion of the biggest asbestos strip-out ever performed

in Europe.

These are just some examples of progress made possible by the innovation, ingenuity and perseverance of the workforce and this progress across the NDA estate is something we must celebrate.

The NDA was established to support this skilled workforce perform their vital public function. The NDA also has a responsibility to support local communities and take into consideration socioeconomic impacts on the local area. The NDA continues to deliver on this promise, providing £10 million of funding over the past year which has delivered a number of successes.

At Wylfa, the NDA has provided funding to enable the Cemaes Community Interest Group to purchase and develop Capel Bethlehem chapel as a sustainable tourist destination. It should create 26 indirect employment opportunities and over 200 training opportunities in the restaurant academy.

The NDA are also collaborating alongside partner organisations to devise customised projects around regeneration of Chapelcross. The objective is to create a 170 hectare employment site of national significance with bespoke industrial, commercial and energy space.

This community work has fostered positive collaborative relationships and stakeholder groups that offer both challenge and support, and I am pleased that so many representatives from the local communities are here today.

I particularly wanted to mention Penny Wride, the Chair of the Berkeley site stakeholder group. Penny was instrumental in advancing the use of this very building for educational use. I know we will hear from her a little later on but I wanted to recognise and thank her for her efforts in enabling us to be here today. Thank you Penny.

I would also like to thank Sandra Ellis, Chair of the Winfrith site stakeholder group. Sandra has worked hard to promote the vision of a return to open heathland for the Winfrith site. Thank you, Sandra, for all your efforts on behalf of the local community.

## **Transformation**

Looking at the NDA as an organisation, the government is fully supportive of the transformation that David is leading. The NDA has already delivered a quick and positive response to the Magnox Inquiry interim recommendations and is planning to do the same once the Final Report has been published. The outcome of the Magnox procurement has understandably increased scrutiny of the NDA. We recognise it is important that government strikes the right balance between giving NDA sufficient autonomy to ensure that its mission is not held back, while providing the necessary oversight to give stakeholders confidence that risks are being effectively managed and previous mistakes are not repeated. I am pleased that the NDA is taking this opportunity to review and enhance its capabilities, making real collaborative improvements, and I am confident it will emerge a stronger and better organisation. My department, for its part, stands ready to respond quickly and effectively to

the Magnox Inquiry report when it is delivered.

## Opportunities

And whilst the NDA continues to evolve, there are many opportunities for the nuclear sector on the horizon.

The [Nuclear Sector Deal](#) published 2 weeks ago marks an important moment for the government and industry. It is the fifth deal arising from our modern Industrial Strategy, that will drive clean growth and ensure civil nuclear remains an important part of the UK's energy future.

The Sector Deal announces a package of measures to support the sector as we promote low carbon nuclear power and clean up our nuclear legacy. It promotes the world-leading capabilities of the decommissioning sector. There are opportunities to leverage this capability to drive exports, but also opportunities for future uses of decommissioned sites.

The Secretary of State chose to launch the Nuclear Sector Deal at the NDA site Trawsfynydd in North Wales. This site clearly demonstrates the exciting potential opportunities for past nuclear sites in future nuclear development.

I have my own experience of the global recognition of your decommissioning capability. Last year I was in Tokyo to attend the UK-Japan Industrial Policy Dialogue and met with the representatives dealing with the aftermath of the 2011 tsunami at Fukushima. They praised the co-operation and unparalleled expertise of the NDA and other UK civil nuclear capabilities. It really counted to them how helpful as well as expert the NDA had been.

Back here in the UK there are further opportunities in the pipeline.

All of you will be aware we need to deal as a country with the disposal of our higher radioactive waste. This waste needs to be disposed of in a safe and secure way, in a geological disposal facility. Constructing this facility will not only support a new generation of nuclear power stations in the UK, but also help us deal with the waste that's built up over the last 70 years.

This project dovetails neatly with the department's Industrial Strategy, supporting its ambition to deliver highly skilled jobs, investment in science and innovation, as well as regional growth and upgrading infrastructure. In addition, it speaks to our [Clean Growth Strategy](#) where we are looking to grow the economy by harnessing opportunities from emissions reduction initiatives.

That is the view from a national perspective. At a local level this important infrastructure project offers significant opportunities.

Communities wanting to start a conversation with us around hosting this facility will receive up to £1 million per year. Those wishing to take this project forward in their area will receive further support of £2.5 million per year. This can be used to support the development of the local skill base, investment in social and community infrastructure, and environmental improvement.

This project will generate significant employment opportunities for the host community – current estimates suggest this will run to hundreds of local jobs. All underpinned by significant investment in local infrastructure.

Key to the development of this project will be the role of the local community. They know their area better than anyone and their knowledge of the economic landscape and the make-up of each community is invaluable. A supportive local community will be vital to successful delivery of this project.

There are plenty of opportunities ahead, and government has been active in delivering those opportunities. But it is also the duty of government to rise to future challenges.

Since the announcement that the UK would leave Euratom in March 2017, we have achieved key milestones at home and abroad.

Last month we signed 2 bilateral safeguards agreements in Vienna with the International Atomic Energy Agency – the Voluntary Offer Agreement and Additional Protocol. This marks an important milestone in ensuring the UK can have an internationally-recognised safeguards regime in place when Euratom arrangements cease to apply in the UK.

The UK and EU have now also reached agreement on all Euratom-related articles in the draft Withdrawal Agreement.

Turning to the USA, the government signed a bilateral Nuclear Cooperation Agreement on May 4, helping to ensure uninterrupted cooperation and trade in the civil nuclear sector following the UK's departure from Euratom.

At home, the Nuclear Safeguards Bill received Royal Assent on 26 June and is now an Act of Parliament. And just yesterday, we launched a [consultation on draft nuclear safeguards regulations](#), which will set out the detail of our new domestic nuclear safeguards regime. I hope you will take the opportunity to provide input on the operability and effectiveness of these regulations. We will continue to seek close association and maintain our mutually successful civil nuclear cooperation with Euratom and the rest of the world.

## **Conclusion**

It is clear that the NDA is evolving to become a more resilient, efficient and effective organisation that continues to drive transformation on the ground and deliver value for money for the taxpayer. It is fair to say that if the NDA didn't exist, someone would have to invent it – its mission is vital. The NDA has a critical job to do, and the workforce is ready with its world-leading skills and expertise. With the support of communities such as yours, I am confident that the NDA will continue to rise to the challenges and opportunities ahead.